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Mid-term review of the first country programme for the Republic of Yemen

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I. THE MID-TERM REVIEW PROCESS

1. The first country programme for the Republic of Yemen (DP/CP/ROY/1 of 9 March 1992), for the period 1992-1996, was approved in 1992. The mid-term review process began in December 1993, and the mid-term review meeting was scheduled for September 1994. Armed conflict in the country interrupted the review process, and the meeting, chaired by the Vice Minister of Planning and Development, was held only on 20-21 June 1995. A joint issues paper and thematic analytical papers were prepared to assess the relevance and impact of the country programme. The thematic papers covered strategic planning, private sector development, women in development, civil service reform and disaster prevention and recovery. In addition, the concept of sustainable human development was presented by the country office. Issues affecting programme implementation and the use of UNDP and other United Nations resources were identified, and those of special concern to the Executive Board were also reviewed.

2. The mid-term review meeting was attended by a wide range of government officials, representing key live ministries, and representatives of the Economic and Social Commission for Western Asia (ESCWA) and United Nations agencies. The meeting focused on the relevance of the country programme to national goals and priorities, especially in light of negotiations relating to the stabilization and economic reform programme. A review of programme management issues covered recent initiatives, such as national execution, the programme approach, poverty alleviation, women in development and non-governmental organization (NGO) participation. Other key points of the review included the preparation of the country strategy note and aid coordination and resource mobilization.

II. ECONOMIC, SOCIAL AND POLITICAL SITUATION

3. The Republic of Yemen is a least developed country, with a 1994 human development index value of 0.323, ranking 142 out of 173 countries. Other indicators include: a per capita gross national product of $520 (1991); substantial macroeconomic and structural imbalances; a large external debt (estimated at the level of $7 billion); depleted reserves; a budget deficit; negative real growth; a low rate of foreign investment; inflation at over 100 per cent annually; a growing trade deficit; balance of payment deficit; official unemployment at 35 per cent, a sharply depreciating currency; an adult literacy rate of 41 per cent; life expectancy of 52 years; an infant mortality rate of 110 per 1,000 live births; and a population growth rate of 3.7 per cent per year.

4. The Republic of Yemen, formed on 22 May 1990, unified the former Yemen Arab Republic and the People's Democratic Republic of Yemen, bringing together two different political, economic and administrative systems, generating new challenges, such as the streamlining of a large government bureaucracy and huge public sector expenditures. While the country was coping with these challenges, the economy had to bear the social burdens and economic costs resulting from the Gulf crisis. First, it had to absorb some 1 million Yemenis expelled from the Gulf States and cope with the socio-economic pressures caused by that influx.

Second, there was a sharp decline in external financial inflows, owing to the loss of the remittances of expatriate Yemeni workers, estimated at $1 billion a year, and to cuts in foreign aid.

5. The formulation of the country programme was carried out during a transition period, which ended only in 1993, with the formation of the Government of the unified Republic of Yemen. Internal differences, however, led to the armed conflict of May-July 1994.

6. The consequences of the political crisis were significant:

(a) Conflicting views and a lack of consensus between the two main parties in the coalition Government paralysed decision-making, including that related to the implementation of the UNDP country programme. The conflict also meant that less attention was paid to development efforts in general;

(b) During and after the armed conflict, the Government was preoccupied with emergency activities and the restoration of public services in the areas affected by the armed conflict, which resulted in a redirection of development efforts and financial resources towards emergency and rehabilitation operations since May 1994.

III. COUNTRY PROGRAMME CONTEXT AND CURRENT NATIONAL AND UNDP PRIORITIES

7. The country programme envisaged UNDP cooperation with the Government in four areas of concentration: (a) strategic planning; (b) management development; (c) human development; and (d) natural resources management. However, with the Government struggling to meet short-term financial needs, the country programme was prepared in the absence of a national development plan. Therefore, the priorities discussed with the Government represented both short-term and ad hoc strategies and were subject to change.

8. The socio-political situation made implementation of the programme difficult. Indeed, it is now clear that the design of the country programme should have been less ambitious and thus more in line with the developmental realities and absorptive capacities of the country.

9. The first round-table conference for the Republic of Yemen was held in Geneva, Switzerland, in 1992, to review the economic situation and policies of the country, and to examine aid and technical cooperation. Follow-up meetings on sectoral issues were to be held, and UNDP has undertaken several initiatives to continue the process. However, due to the political situation, the round-table process has been held in abeyance.

10. The Government welcomed the concept of the country strategy note and agreed to its preparation at the beginning of 1994. Commencement of the preparatory work was postponed, however, due to the armed conflict. At the mid-term review, the Government reconfirmed its readiness to embark on the preparation of a country strategy note.

11. At the beginning of 1995, the Government stipulated new priorities consistent with the overall aim of achieving sustainable, enduring and equitable growth. The new set of policies will be implemented in 1996 and will have repercussions on UNDP-assisted activities for the remainder of the country programme. At the mid-term review, UNDP introduced the concept of sustainable human development to encompass four basic dimensions: (a) economic development and growth, job creation and poverty alleviation; (b) social justice and more equitable distribution of income; (c) governance and decentralization and a more significant role for civil society in the overall economic and social development process; and (d) environmental protection and sustainable development. While general support for the concept has been expressed by the participants, further practical elaboration and pilot applications were requested.

IV. PROGRAMME ACHIEVEMENTS

A. Overall impact of the country programme

12. The impact of the first country programme varied with the area of intervention. UNDP has been at the forefront of environmental and natural resources management, assuming a substantive donor coordination role, which led to a major shift in the Government's institutional arrangements for water resources management. Several activities were undertaken after the United Nations Conference on Environment and Development, including the preparatory framework for a national action plan for environment and development and the preservation of biodiversity. In cooperation with other donors, UNDP contributed to institutional capacity-building for environmental management. In view of the adoption of the United Nations International Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa UNDP took the initiative to develop a large-scale multi-donor programme in that area.

13. Positive impact has been achieved in the area of human resources development. The interventions in this area would have benefited from a more coherent national policy framework, which would have led to more meaningful and sustainable results. Future UNDP involvement should take into account the concept of sustainable human development and the new priorities of UNDP, in particular, the renewed focus on poverty eradication and participatory development.

14. The round-table conference, and analytical exercises in both environmental and natural resources managerial and human resources development laid the basis for dialogue with the Government at the time the economic reform programme was being finalized with the World Bank and International Monetary Fund (IMF). Further UNDP involvement is envisaged, once the Government and the World Bank/IMF agree on an economic reform programme.

15. Major positive impact has been generated in the area of emergency assistance, including its direct and efficient provision in times of crisis, as well as international coordination. UNDP has demonstrated clearly that it can play a major coordinating role in emergency situations, and that it is fully

recognized as a leading player by other partners. The Government appreciated UNDP assistance in reducing the adverse impact of the armed conflict in the affected areas.

B. Progress in implementation in areas of concentration

Strategic planning

16. The objective in this area was to provide technical cooperation and policy advice in translating national investment and national reform policies into operational programmes, by improving government managerial capacities, including the improvement of the statistical database for planning purposes. The programme has resulted in policy and operational frameworks for industrial development, private investment promotion, health sector development and the development of free zones in Yemen, the long-term significance of which are considerable. UNDP also has supported the preparation of a five-year economic and social development plan, for approval in 1996, which will, inter alia, provide the necessary framework for future UNDP assistance and that of other agencies and bilateral donors.

17. UNDP will provide the Government of Yemen with high-level independent expertise on the comprehensive economic reforms now being negotiated with the World Bank/IMF. The potential impact of this macroeconomic intervention is critical, since it will directly affect daily lives of the population, as well as influence the development prospects of the country.

18. UNDP supported the Government and national NGOs in their preparations for the Fourth World Conference on Women. A strategy and action plan for the advancement of women in Yemen were elaborated, which will lead to more participation of women in Yemen's development process.

19. Factors affecting development of projects and implementation. The political situation has meant that some proposals have been difficult to elaborate, while others have been delayed, in the absence of timely decisions.

Management development

20. The aims of UNDP assistance in this area were to address the challenges of unifying two different socio-economic and administrative systems, while pursuing decentralization and administrative reform. Encouraging private sector expansion was also envisaged.

21. A management development programme (MDP) has been devised to provide technical cooperation for institution-building and policy formulation. UNDP initiated negotiations with the health and housing ministries, in order to introduce the concepts on a pilot basis. Progress has been hindered due to the prevailing internal difficulties in the country.

22. Project impact in the management development area has been varied. While capacity-building at the Ministry of Planning and Development has been modest, progress in the development of archives and postal services has been more

tangible. The long-term involvement of UNDP in the area of financial controls and audit has helped to strengthen the Government's Central Organization for Control and Audit.

23. Factors affecting development of projects and implementation. Since the main purpose of UNDP assistance in this area was to support the Government in its unification process and in rationalizing its public administration, it was most affected by the political crisis. Prospects for the adoption and implementation of MDP are promising, since the initiation of economic reforms.

Human development

24. In this area of concentration, UNDP aimed at providing technical cooperation in the following fields:

(a) Health. Support was envisaged for the government health programme, in terms of finance, budgeting and statistics, and the strengthening of the government agencies related to public health and population, as well as the provision of training to health personnel in rural areas. Activities were limited, owing to resource constraints;

(b) Education. The development of a unified education system and the provision of technical cooperation to vocational training institutions were envisaged. An inter-agency team led by the International Labour Organization provided policy advice. Two proposals were selected for UNDP funding - a project for the development of a labour market information system, and a job classification, trades-testing and skills-standards project - both of which will be merged into a comprehensive programme;

(c) Employment. Workforce planning, self-employment programmes through small-scale projects for small entrepreneurs and rural women, and the provision of policy advice on private investment were envisaged. The improvement of the technical and professional capacities of national specialists in the areas of marine and port management and hotel and catering management has been achieved and should lead to employment generation, since there are very good prospects for expansion in both fields. Limited results were obtained from activities in rehabilitation centres for the disabled. The major shortcoming of those activities was a lack of sustainability.

Natural resources management

25. The country programme focuses mainly on two areas:

(a) Protection of the environment, through better planning, strengthened capacity and disaster preparedness. UNDP intervention in environmental management and capacity-building at the Environment Protection Council (EPC) had limited impact. However, it should be noted that EPC is supported by other donors as well. A United Nations inter-agency mission, together with the German Agency for Technical Cooperation, the Canadian International Development Agency, and a national consultancy team, produced several reports on water, environmental protection and sustainable human development. Major environmental problems in Yemen were identified, and the awareness raised in the Government

has led to the formulation of a national environment action plan, financed by UNDP and the World Bank. The United Nations Environment Programme and ESCWA jointly prepared an action plan to combat desertification, which will be used by UNDP as the basis for future activities, as well as to mobilize donor community and the Global Environment Facility (GEF) funding;

(b) Water resources management through improved strategies, policies, and targets. Yemen has one of the lowest per capita water resource reservoirs in the world. Over the fourth and fifth cycle, UNDP has invested more than $10 million from indicative planning figure (IPF) resources in the water sector and for mineral resources exploration, and even greater sources were and are being spent to bilateral donors in the water sector. However, optimum water utilization requires a rational institutional framework. The current UNDP/Government of the Netherlands initiative is aimed at creating an independent national authority that will be able to better manage the scarce water resources.

26. GEF funds in the amount of $3.4 million are being used for protection of marine ecosystems of the Red Sea and for a liquid gas substitution programme. A new programme is being developed to protect the unique biodiversity on Socotra.

Emerging area of concentration: disaster prevention and recovery

27. UNDP was assigned by the Government to play a central role in coordinating multilateral and some bilateral relief programmes, including programmes to mitigate the adverse effects of floods in Aden, a locust infestation and the armed conflict. Together with the United Nations Department of Humanitarian Affairs, UNDP took the lead in undertaking a needs assessment in the conflict-affected areas. It was also instrumental in formulating a $21.7 million Inter-Agency Consolidated Appeal for Emergency Humanitarian Assistance, $7.8 million of which has been raised thus far.

28. Special Programme Resources (SPR) have proven to be a flexible means for responding to immediate relief needs, enabling UNDP to act quickly in areas which demanded rapid reactions, such as the delivery of drinking water to the affected population in Aden, immediately after the armed conflict.

29. The most significant emergency project was for water supply and sanitation rehabilitation in the conflict-affected areas (YEM/94/011), which, with a budget of $4.2 million, aimed at addressing the immediate water needs of urban and rural communities, by restoring water supply and sanitation services. Thus far, $922,961 has been raised, in terms of cost-sharing from the Governments of Italy, Japan and the United Kingdom of Great Britain and Northern Ireland, in addition to IPF resources of $990,000. The Government expects that the IPF resources will be reimbursed from the bilateral and other sources, as a result of the funds mobilization campaign undertaken by UNDP and the Government. Another important project concentrates on rehabilitation of water tanks in Tawila, which protect Aden from flooding.

C. Overall country programme constraints

30. Many factors have hampered coherent and efficient involvement in the four areas of concentration, as well as in the management of the country programme. The following have affected formulation, implementation, management and monitoring of both individual projects and the programme as a whole:

(a) The absence of a national development plan in Yemen made it difficult to adopt a programme approach, and had an adverse impact on efforts to achieve an integrated package of projects;

(b) The instability in the country for an extended period of time, which affected government decision-making, had direct implications for the rational and timely selection, formulation and implementation of projects and programmes in the country programme;

(c) The significant decrease (30 per cent) in IPF resources, due to the IPF programming limitation, the redirection of almost $2 million in IPF resources to emergency programmes and of the borrowing of almost $2 million to cover commitments from the previous cycle meant that the needs as outlined in the country programme could not be fully met;

(d) Suspension and a sharp decrease of overseas development assistance to Yemen following the Gulf crisis led the Government to turn to the country programme to support a wider range of projects than originally foreseen, resulting in too many projects, scattered too widely. The restricted government capacity to manage aid exacerbated this situation;

(e) International consultants lacked a full understanding of Yemen's specific circumstances and needs when designing and formulating projects. At the same time, to reduce the cost of external expertise and provide additional funding for equipment purchases, the Government favoured United Nations Volunteers (UNVs). The Arabic language requirements, which limited the pool of talent available, and the mismatch between external expertise and project needs affected the quality of project implementation;

(f) The programme was paralysed by internal political tensions before the armed conflict, the evacuation of international staff for almost four months and the subsequent engagement of both the Government and UNDP with relief operations;

(g) Spreading resources too widely in the previous cycle resulted in the under-budgeting of projects, which, in turn, led to new phases of those same projects in the present cycle, in order to achieve results; consequently, some projects fell outside the priorities of the present country programme.

V. COUNTRY PROGRAMME MANAGEMENT

31. A good relationship between the Ministry of Planning and Development, especially its International Department, and the UNDP office helped both parties address the problems facing UNDP activities in Yemen. Coordination on programme

matters was close, and most recently encompassed the coordination of the multi- and bilateral aid. The joint field relief work of the Ministry of Planning and Development and UNDP during and after the armed conflict was outstanding, yet the situation was such that many of the issues raised in paragraph 30 above were difficult to control.

A. Project formulation

32. Project proposals were often submitted on an ad hoc basis, with little reference to the country programme. The reduction in official development assistance encouraged that trend. The programme approach, even on a pilot basis, was difficult to apply under the circumstances. In addition, the country programme document did not fully serve as a programming tool.

33. TSS-1 was used to initiate and undertake cross-sectoral, multi-agency substantive analytical work in environment/sustainable development, water resources management and vocational training. The process aimed at providing a basis for the programme approach, yet follow up was uneven.

34. TSS-2 was used as the prime modality for formulating projects. It was agreed during the mid-term review that, given the fact that the TSS-2 modality provides sufficient financial resources for thorough analysis, United Nations agency consultants should dedicate more time during their missions to fully grasp all the issues involved, including the low absorptive capacity of national institutions, thus ensuring high-quality documentation. Furthermore, in some ministries, there were frequent changes of key personnel, adversely affecting project formulation.

35. As noted in paragraph 30 (g) above, new phases of projects from previous country programmes (before unification) were submitted for extension. Approval for additional phases was granted when objectives remained to be achieved. Although the achievement of stated objectives was viewed as a valid reason for the extensions, it also revealed a lack of sustainability in UNDP projects.

B. Project implementation, management and monitoring

36. Thus far, implementation has been fairly slow, with extensive lead time required for the launching of project activities, after signature of the project document.

37. Project management has been generally weak in the absence of qualified, full-time national project directors (NPDs) and/or international chief technical advisors (CTAs). In view of the limited national management capacity, international experts for the CTA and other posts would support efforts to achieve programme objectives, pending the impact of capacity-building efforts.

38. The designation and remuneration of counterpart personnel, especially NPDs, has also been a lengthy process. Difficulties have been faced in matching the qualifications and skills of national counterparts to the requirements of projects, leading to concerns about project sustainability.

39. The importance of institutional frameworks in the smooth execution of projects was underestimated. In several cases, prerequisites stipulated in the signed project documents were not met, and the lead time for the commencement of project activities had to be extended. Similarly, delays in allocating sufficient financial and human resources during project implementation and government cash counterpart or cost-sharing contributions usually caused delays in the implementation of project activities.

40. The tripartite review mechanism should have been used more fully as a forum for the adjustment and synchronization of project activities, according to the changing situation and developments in project implementation. Better coordination between United Nations and other agencies would have led to more efficient execution of the projects in the country programme. Standards for the recruitment of consultants should be revised, as necessary, and adequate back-stopping and monitoring should be provided by experts or UNVs, depending on the level of expertise required. In addition, agency missions should be organized carefully, in order to best contribute to coordinated development efforts.

C. Expenditure analysis

41. On average, 46 per cent of the project budgets were spent on personnel, 16 per cent on subcontracts, 15 per cent on training, 15 per cent on equipment and 8 per cent to meet miscellaneous needs.

42. The breakdown of expenditures on personnel reveal that international personnel represented 70 per cent of the total component, while UNVs represented 15 per cent. The share of expenditures on national professionals was limited to 12 per cent. Some 3 per cent was allocated to administrative support. UNDP should encourage the use of national capacities whenever an acceptable level of national expertise exists.

43. The fellowships component (duration of more than three months) absorbed 58 per cent of the training budget, while the share of study tour/group training was 25 per cent, and in-country training accounted for 17 per cent. Experience shows that the Government, UNDP and executing agencies must pay more attention to choosing the right people for training. Only trainees who meet the required standards can fully benefit from training, which should result in their ability to transfer the knowledge and skills gained to other colleagues.

44. Procurement of equipment has been characterized by a large proportion of vehicle and computer delivery. A more cautious approach would be justifiable; generally, the low technical capacity in-country should be taken into account, in judging requests for the procurement of sophisticated computer equipment.

D. Current indicative planning figure framework

45. The original allocation of $42,590,000 was reduced in 1993 to $29,813,000. After taking into account the borrowing of $1,986,000, only $27,827,000 was available for the country programme, versus the $40,604,000 originally envisaged.

46. As of August 1995, commitments amounted to $22,440,000, and the estimated budget for hard pipeline projects was $3,101,600, totalling $25,541,600 in committed IPF resources. Consequently, only $2,285,400 was available for commitment during the period 1995-1996.

E. Resource mobilization

47. UNDP-funded missions to attract new aid funds achieved modest results. By the end of 1994 $876,951 was obtained from bilateral donors and the Government. However, with the introduction of larger-scale projects and the more effective role of UNDP in donor coordination, joint resource mobilization initiatives have brought significant cost-sharing contributions. In total, $3.8 million has been raised thus far, with the goal of mobilizing $2.3 million in the future. An additional $841,000 has been earmarked by IMF and the World Bank as parallel-financing.

48. In addition to the IPF resources, a total of almost $16 million has been channelled through UNDP-related funds (the United Nations Capital Development Fund (UNCDF), GEF and SPR).

VI. AID COORDINATION

49. Aid coordination was fairly weak at the beginning of the cycle. The systematic and coherent exchange of information and the coordination of priority areas between major donors was not undertaken. The low profile of UNDP in aid coordination was due in part to the small projects UNDP introduced at the beginning of the cycle, vis-à-vis larger interventions by bilateral donors, the World Bank and the International Fund for Agricultural Development.

50. At mid-term, the situation has changed considerably, with UNDP playing a more visible coordinating role, especially in water resources management and emergency programmes. The role of UNDP in coordination has been recognized by other donors, and at the end of 1994, UNDP took the initiative, with other major players, to help establish a systematic aid coordination framework. Working groups have been established for the following programming themes and sectors: environment, water resources, emergency assistance, private sector development, agriculture, women in development, health, nutrition, basic education, vocational training and the rehabilitation of the disabled. The first positive results have been appreciated by participating donor agencies. The role of the Resident Coordinator has been reinforced and may be strengthened further with more substantive support from the UNDP headquarters, in terms of a targeted financial and personnel support. As a temporary measure, the Government agreed to finance a UNV for aid coordination for one year from IPF resources.

VII. OTHER ISSUES OF CONCERN

A. National execution

51. Six approved projects are nationally executed, for a total IPF allocation of $2.1 million, representing 13.6 per cent of all approved IPF budgets.

52. The national execution modality has the full support of the Government and the country office. Its proper application will be assumed once the following conditions are met:

(a) Managerial and technical capacities in the Government are available to ensure that projects are executed in a timely and efficient manner;

(b) Guidelines for implementation of nationally-executed projects are finalized;

(c) UNDP and government staff are trained in management and financial accountability.

B. Successor arrangements for support costs

53. Experience with the new arrangements for support costs has been positive. TSS-1 has significant potential to enable interdisciplinary teams to undertake comprehensive assessments of particular themes or issues. However, from the practical point of view, TSS-1 has not yet been very successful. TSS-2, which was used for implementation and project formulation exercises, has proven to be a flexible and adequate source of funds. Similarly, administrative and operational services budgeting has worked well.

C. The programme approach

54. It was not possible to apply the programme approach as a delivery mechanism for technical cooperation in Yemen, during the period under review. Yemen faced serious political problems that almost paralysed the decision-making process in the Government, making it unfeasible to obtain political commitment for such an endeavour. Furthermore, for the successful application of the programme approach in Yemen, substantive training will be needed for both UNDP and relevant government personnel.

D. Women in development

55. The advancement of women, though considered a priority, suffered from lack of specificity in the country programme. However, during the course of the programme, several initiatives were undertaken. An analytical framework was devised for a national seminar, in preparation for the Fourth World Conference for Women, held in Beijing, China, in 1995. The resulting action plan represents a good foundation for a more coherent approach for the remainder of the cycle. The Government has given permanent status to the national committee

established for the Conference, women-in-development focal points have been created in different ministries and a network of women's NGOs is engaged in gender in development issues.

56. UNDP is now exploring with the United Nations Population Fund (UNFPA) the possibility of establishing a joint women-in-development programme, which would represent a major intervention in the area.

57. More specific and tangible targets should be incorporated in the new project documents, in order to ensure that gender in development is given its due attention and that women become direct beneficiaries of the projects.

E. Grass-roots and NGO involvement in poverty alleviation

58. Most priority areas in the country programme are upstream by nature, a focus that leaves little room for the operational involvement of NGOs or grass-roots participation. Nevertheless, macro-level interventions regarding macroeconomic, strategic planning or public sector reform issues will address poverty alleviation and approaches that involve civil society as a whole.

59. A strategy paper on NGOs in Yemen has been prepared, and SPR funds have been allocated for further development of the area. In order to review the current framework of NGOs operations in Yemen, UNDP, with co-financing from UNFPA and UNICEF, embarked on an analytical study, which will provide options for possible United Nations interventions.

60. UNDP is ready to play a more visible role in the area of poverty alleviation, and more could be achieved if the Government's decentralization programme is implemented. However, given the active role played by several international NGOs and some bilateral programmes, the question of the UNDP comparative advantage needs to be reviewed, in considering the nature of UNDP involvement.

F. United Nations Volunteers programme

61. The number of UNVs working in Yemen has decreased over the past five years. In 1990, there were 86 volunteers, 39 volunteers in 1992, and only 7 UNVs at present, although 35 additional UNV posts have been approved.

62. The UNV programme should continue to carefully match the qualifications and experience of UNV specialists against the requirements of posts, to ensure an effective UNV programme in Yemen. Moreover, the transfer of knowledge and skills to qualified national colleagues should continue to be emphasized. Consideration should be given to the possibility of establishing a national UNV scheme.

G. Technical cooperation among developing countries

63. The importance, relevance and cost-effectiveness of technical cooperation among developing countries (TCDC) activities is much appreciated by the national authorities, as evident from the deliberate use of the TCDC modality in substantive work, e.g., the appointment of experts, consultants, and UNV specialists from developing countries, and training, study tours and procurement of equipment from suppliers within the region.

64. Wider utilization of the TCDC modality is subject to the substantive training of both government and UNDP staff on the TCDC concept and its potential. A national TCDC workshop is in the planning stage.

VIII. UNITED NATIONS CAPITAL DEVELOPMENT FUND

65. Most UNCDF projects were formulated prior to unification, and thus exist in the north and south of the country. Their impact has been significant. UNCDF has made small loans to entrepreneurs, especially women, helped open up a mountainous region with agricultural potential through the construction of feeder roads; and enabled the children of 82 villages to attend school in 10 newly built schools. Fodder production for livestock was also a promising endeavour, before the site was affected by the 1994 armed conflict.

IX. RECOMMENDATIONS/ACTIONS

A. Areas of concentration

Strategic planning

66. Strategic planning for economic and social development of pipeline projects should be finalized.

67. Close coordination and cooperation between UNDP and the World Bank/IMF is desirable, so that the strategic planning initiatives are implemented in concert with stabilization and economic reform programmes.

68. The sub-area of improving the country's statistical capacity should be dropped, in view of the substantial improvements already made, and taking into account bilateral donors' increasing contributions to the sector.

Management development

69. Management development remains a government priority. UNDP and the Government should resume discussions on MDP and update and define a policy framework for future UNDP assistance.

Human development

70. UNDP should concentrate on employment generation, poverty alleviation and women in development for the remainder of the country programme, since they

constitute an integral part of the sustainable human development strategy and the 20/20 initiative.

Natural resources management

71. The ongoing projects, particularly in water resources, should continue. New projects should be developed using additional funding, e.g., GEF, especially to combat desertification.

Disaster prevention and recovery

72. UNDP and the Government should consider how relief inputs can best be structured to lay the foundation for subsequent rehabilitation, reconstruction and development activities.

73. A United Nations system-wide disaster management team and national disaster management mechanism should be established in Yemen, using SPR funds. This should be accompanied by the raising of awareness of the benefits of disaster preparedness.

B. Country programme management

Project formulation

74. A strong commitment to the terms of the country programme should be evident during programme/project identification and formulation, and the programme/project's contribution to the objectives of the country programme should be explicit.

75. The Joint Steering Committee should be reconstituted as a decision-making body, in order to review project proposals in light of the country programme, and other donor activities.

76. UNDP should ensure that project formulation missions devote adequate time to analysing the problems and establishing a clear institutional framework.

Project implementation, management and monitoring

77. The selection of NPDs should be a parallel process to that of the appraisal and approval of the project. Proper briefings for government officials acting as NPDs for new projects should be introduced as an integral feature of each project.

78. A full-time, national or international project manager, with appropriate authority, should be appointed to each project, in order to ensure effective project management.

79. Since national counterparts are the key to sustainability, their availability must be a precondition for the initiation of activities, and their qualifications should be assessed during the formulation of the project, as well as at the outset of the project.

80. National expertise and high-quality UNVs should be used whenever feasible, while national UNVs should also be considered.

Expenditure analysis and programme resources

81. Within each area of concentration, special emphasis should be given to employment generation, poverty alleviation and women in development for the remainder of the country programme.

82. An active resource mobilization campaign should be pursued, in order to attract additional funding from bilateral and trust fund sources. It is recognized that resource mobilization may be more successful if larger-scale projects or programmes are devised by the Government and UNDP.

83. Further utilization of GEF and other similar and bilateral funds should also be pursued, once the conventions on biodiversity and on combating desertification are ratified by Parliament.

84. More funds should be allocated to in-country training, in view of its cost-effectiveness.

85. Caution should be exercised in procuring vehicles and sophisticated equipment, in view of the low technical capacity of Yemeni institutions and overall budgetary constraints.

Aid coordination

86. UNDP headquarters should consider providing the country office with the necessary personnel (e.g., a full-time aid coordination assistant) and additional financial support, separate from IPF resources.

87. The mid-term review meeting endorsed the proposal of United Nations agencies not represented in Yemen to recruit and field Junior Professional Officers, in order to assist in programme development and implementation.

National execution

88. UNDP and the Government should finalize guidelines for national execution and arrange training for UNDP staff, their counterparts in the Ministry of Planning and Development and NPDs. United Nations agencies' experience in training for national execution should be taken into consideration along with lessons learned from the experiences of other countries with successful records of nationally-executed projects.

89. A national execution unit would be useful, in order to prepare financial reports and to train project personnel in other issues related to nationally-executed projects.

Programme approach

90. Initiatives aimed at introducing the programme approach in Yemen should be explored during the remainder of the country programme, in fields such as

privatization and the advancement of women. Training for government and UNDP staff should be envisaged.

Women in development

91. There is a need to agree on a specific programme/project of direct benefit to Yemeni women, especially rural women. A joint UNFPA/UNDP programme with participation of JCGP members might be one of the viable ways of developing a more meaningful and tangible UNDP involvement.

92. Gender issues should be integrated in all new project documents in a specific, quantifiable manner, in order to help to bring women into the mainstream of development. Criteria for success should be established in each project document.

93. A TSS-1 exercise should be considered focusing on employment generation, the incorporation of women into the labour market and self-employment for women.

United Nations Volunteers programme

94. More importance should be given to the assignment of qualified counterparts to work with UNVs, and the transfer of knowledge to national counterparts should be highlighted in all UNV assignments.

95. Consideration should be given to a possibility of establishing a national UNV scheme in Yemen.

United Nations Capital Development Fund

96. UNCDF and UNDP should consider how to work more closely in community development. UNCDF should expand its sources of support for technical cooperation.

Country strategy note

97. The Government has confirmed that it wishes to prepare a country strategy note.

Annex

FINANCIAL SUMMARY

I. RESOURCES

A. Resources available for country programme period

	$	$
IPF	27 827 000 a/	
Estimated cost-sharing	3 763 806	
Joint programme funding	-	
Total		31 590 806

B. Commitments

Approved programme/project budgets b/

Approved and allocated IPF	22 440 000	
Approved and unallocated IPF	-	
Subtotal		22 440 000
Approved and allocated cost-sharing	3 763 806	
Approved and unallocated cost-sharing	-	
Subtotal		3 763 806

Pipeline programmes/projects

IFP	3 101 600	
Cost-sharing	-	
Subtotal		3 101 600
Total		29 305 406

C. Balance of resources available for further programming

IPF	2 285 400
Cost-sharing	-
Balance of resources available	2 285 400 c/

a/ Compared to the $40,604,000 originally envisaged; the reduction results from the revision of IPF figures to 70 per cent of their originally established levels, as well as $1,986,000 of borrowing.

b/ "Approved and allocated" refer to those programmes and projects approved by the Action Committee or Bureau PAC for which there exist detailed, signed document and budgets. "Approved and unallocated" represent the balance of funds available to the programme or project which have yet to be reflected in specific budget lines.

c/ This figure represents the net balance of IPF and cost-sharing resources available plus joint programme funding less approved and allocated/unallocated IPF and cost-sharing funding less pipeline IPF and cost-sharing.

II. PROPOSED (P) AND ACTUAL (A) ALLOCATION OF RESOURCES BY AREA OF CONCENTRATION a/

(Thousands of dollars)

Areas of concentration	IPF		Cost-sharing		Total		Percentage of total	
	(P)	(A)	(P)	(A)	(P)	(A)	(P)	(A)
Strategic planning	7 927	3 019	-	-	7 927	3 019	20	9
Management development	7 927	1 953	-	206	7 927	2 159	20	7
Human development	7 927	2 698	-	-	7 927	2 698	20	9
Natural resource management	11 891	2 715	-	2 014	11 891	4 729	29	15
Emergency programme	-	1 610	-	898	-	2 508	-	8
Other projects	968	13 547	-	646	968	14 193	2	45
Unprogrammed reserve	3 964	2 285	-	-	3 964	2 285	9	7
Total	40 604	27 827	-	3 764	40 604	31 591	100	100

a/ Taking into account the 30 per cent reduction of IPF for the fifth cycle.

III. ESTIMATED COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES a/

(Thousands of dollars)

	At time of formulation of country programme	At time of mid-term review
UNDP-administered funds		
United Nations Capital Development Fund	50	11 470
Global Environment Facility	-	3 590
Special Programme Resources	420	720
LDC	180	140
Energy Account	200	60
FSTD	140	20
Other United Nations resources		
Department of Humanitarian Affairs	-	200
Non-United Nations resources		
International Monetary Fund/International Bank for Reconstruction and Development	-	841
Emergency assistance following the armed conflict	-	5 408
Total	990	22 449

a/ Excluding resources which were accounted for as cost-sharing or IPF funds.